



Workshop

Results of Project TE/RAS/09/003

Implementation of ISO 9001 Quality Management Systems in Asian developing countries: Survey covering system development, certification, accreditation and economic benefits

Presented by Dr Nigel H Croft; UNIDO Lead Consultant

Delhi, Bangalore and Mumbai
March 3rd – 5th 2011



Background to Project TE/RAS/09/003 and methodology used

Project Partners

- Overall international coordination:
 - UNIDO Trade Capacity Building Branch
 - Ouseph Padickakudi (Project Manager) / Nigel Croft (Lead Consultant)
- Financing
 - NORAD (Norwegian Agency for Development Cooperation),
- Technical collaboration on survey methodologies
 - ISO (International Organization for Standardization)
 - Sean MacCurtain (Head of Conformity Assessment)
 - IAF (International Accreditation Forum)
 - B.Venkataraman (Co-chair; IAF/ILAC Development Support Committee)
- Statistical Analysis of Project results
 - Institute of Applied Statistics & Quality Management, (Lucknow, India)
- Local coordination
 - BIS, NABCB and UNIDO Delhi Office



First, a few words about ISO 9001 and accredited certification.....

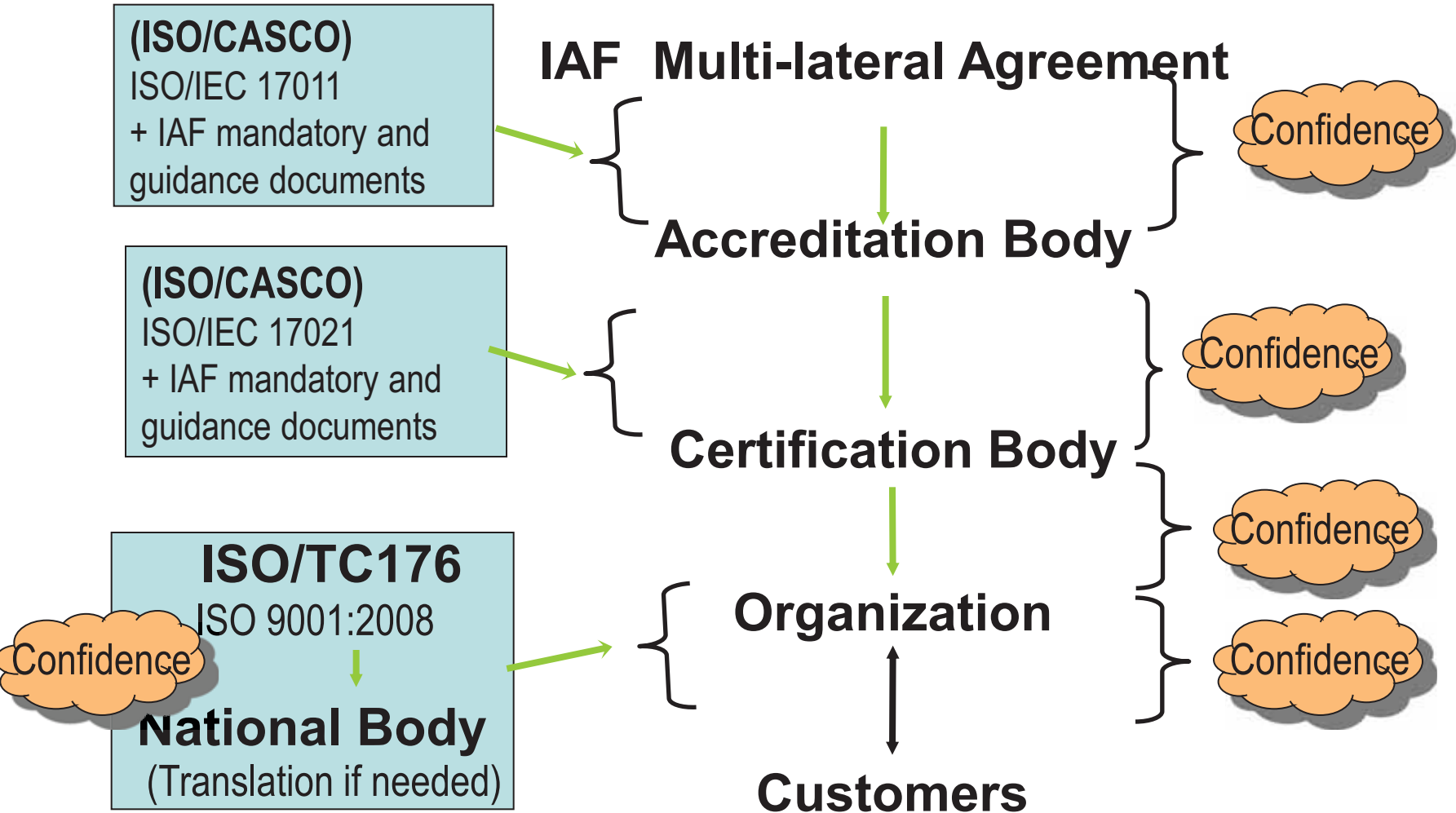
ISO 9001 (Clause 1.1)

- “Specifies quality management system **requirements** for organization to:
 - **demonstrate its ability to consistently provide product that meets customer and applicable statutory & regulatory requirements**
 - enhance customer satisfaction.....”
- NOTE: “Services” are a specific kind of product, and are also covered by ISO 9001

What is the aim of certification?

- TO PROVIDE CONFIDENCE
 - By demonstrating that the organization **does** have a management system conforming to the requirements of ISO 9001
 - By showing that the system is **effective** in achieving the desired outputs
 - **“Consistent conforming products”**
 - **“Enhanced customer satisfaction”**

“Chain” of confidence-promoting activities



Ongoing confidence (The “C” in the “PDCA” cycle)

- Focus on results
 - Did the **product** consistently meet customer requirements? (Customers rarely see the quality management system!)
 - If **YES**, confidence in certification INCREASES
 - If **NO**, confidence in certification DECREASES

Joint ISO/IAF Action Plan

- Developed by IAF/ILAC/ISO JWG
- Key elements / concepts
 - Recognition that **“OUTPUT MATTERS”**
 - Is the management system delivering on its promise?
 - Need to remember “the certified organizations’ customers”
 - Are they satisfied with their supplier’s **performance**?
 - Need for a more aggressive posture from all
 - To separate the “Good Guys” from the “Bad Guys”



Background on UNIDO Project TE/RAS/09/003

Implementation of ISO 9001 Quality Management Systems in Asian developing countries: Survey covering system development, certification, accreditation and economic benefits

Countries involved

SAARC region:

- Bangladesh
- Bhutan*
- India
- Maldives*
- Nepal
- Pakistan
- Sri Lanka

SEA countries:

- Indonesia
- Malaysia
- Philippines
- Thailand
- Vietnam

* Not involved in
survey of purchasers

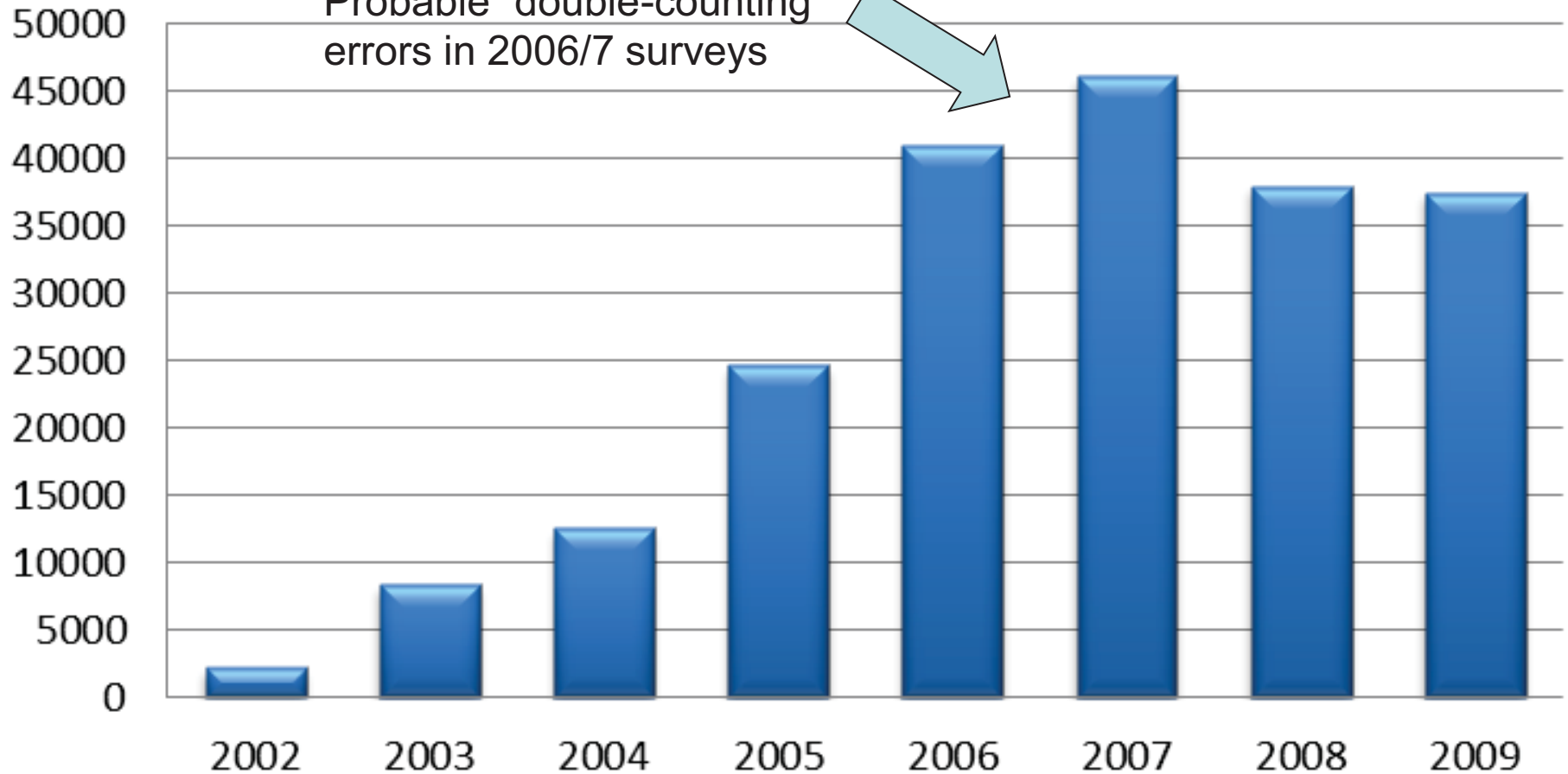
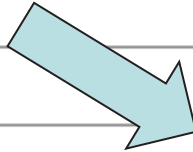
Number of certificates.....

Country	Standards Body	Accreditation Body	Dec-09*
Bangladesh	BSTI	BAB	852
Bhutan	SQCA	-	7
India	BIS	NABCB	37,493
Nepal	NBSM	-	55
Indonesia	BSN	KAN	5,476
Malaysia	Standards Malaysia	Standards Malaysia	6,463
Maldives	MSMU/ MED	-	5
Pakistan	PSQCA	PNAC	2,112
Philippines	BPS	PAO	1,992
Sri Lanka	SLSI	SLAB	678
Thailand	TISI	NAC	6,097
Vietnam	STAMEQ	BOA	7,333

** Numbers relate to the TOTAL number of certificates, including those issued under overseas accreditations.
(Data from ISO Survey)*

Number of certs (India)

Probable “double-counting” errors in 2006/7 surveys



Key questions to be answered....

(Taken from original project proposal)

- Are organizations in Asian developing countries deriving tangible benefits through ISO 9001 certification?
- Are certification bodies carrying out the certification process effectively?
- Are the various expectations of different stakeholders being met?

Project Timeline

- Late 2009 / early 2010
 - Survey of **customers'** perspectives about the effectiveness of ISO 9001 certification
- Mid-2010
 - Survey of certified organizations and visits to evaluate the effectiveness of the ISO 9001 certification **process**
- Late 2010 / early 2011
 - International and local workshops
 - Recommendations to improve effectiveness of accredited certification
 - Formal report

429 institutional purchasers surveyed (including 109 in India)

- Objectives of survey:
 - Level of awareness and use of accredited certification to ISO 9001 as a supplier selection and evaluation tool
 - Satisfaction with the performance of ISO 9001-certified suppliers.

Selected “Knowledgeable” Purchasers

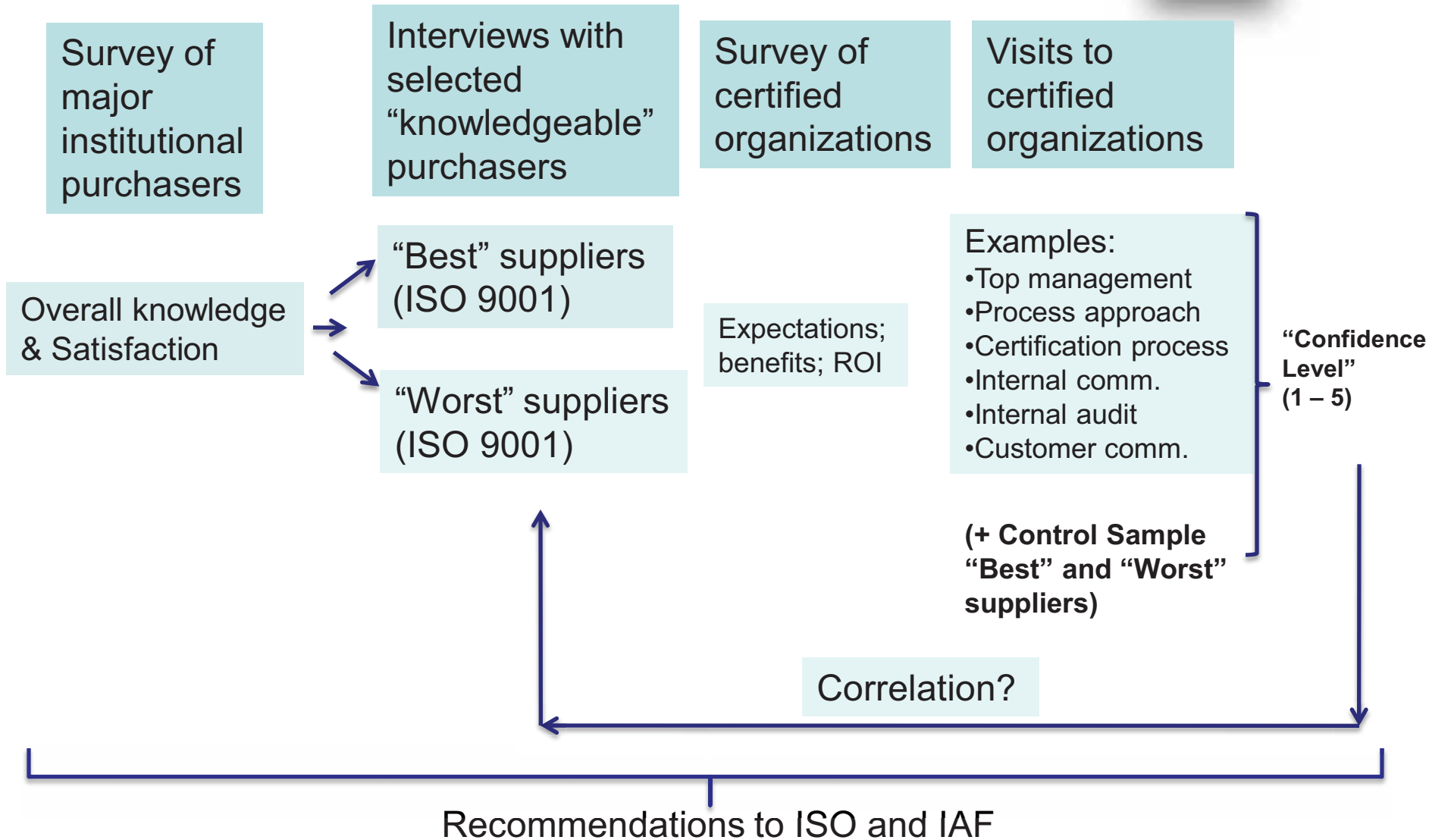
- Face-to-face meetings
 - Sample of those who had good understanding of accredited certification (from survey)
 - More detailed information obtained on supplier performance
 - Information regarding “best” and “worst”-performing ISO 9001-certified suppliers.
 - Used to select control sample for visits to certified organizations

Certified organizations

- Survey of 604 certified organizations (222 in India)
 - Reasons for certification
 - Return on investment
 - Satisfaction with consultants and CB's
 - Information about certification process
- Visits to 561 certified organizations (204 in India)
 - Discussions with senior management
 - Plant visit
 - Verification of certification process
 - High-level verification of system effectiveness

Visits to certified organizations

- Series of one-day “market surveillance” visits
- Aimed at assessing **confidence level** of organizations’ QMS and CB’s certification process
 - Not a “repeat audit”!
 - “Confidence-level” rather than “Conformity/Nonconformity”
- Organizations selected at random, but with control sample of “good” and “bad” suppliers to validate results
- Visits conducted by 28 local consultants throughout the region contracted by UNIDO
 - No CB auditors (employees or subcontractors)
 - Project-specific 5-day training course and calibration assessment.



Feedback and recommendations

- 2 International Workshops
 - Feedback to ISO, IAF and UNIDO
 - Shanghai (Oct 2010)
 - Paris (Nov 2010)
- Workshops in each participating country
 - Country-specific feedback to interested parties (NSB, AB, CB's, UNIDO Local Offices, Purchasers, Certified Organizations, Consultants, Government Ministries, Industry Associations, Chambers of Commerce etc)

Important!

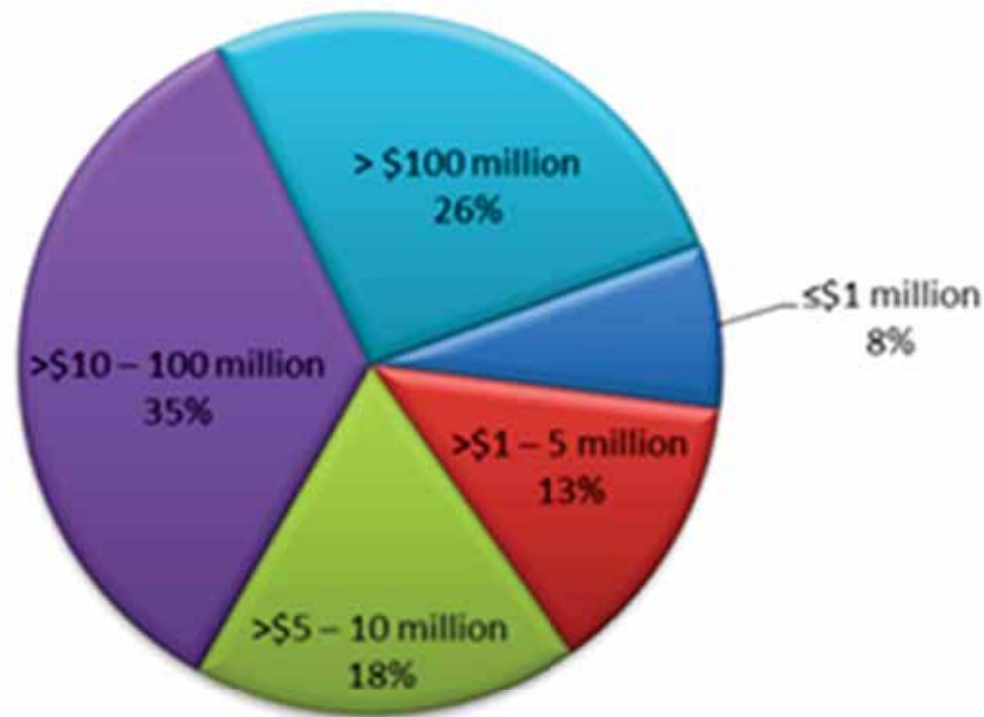
- Project was limited primarily to:
 - manufacturing & construction-based industries
 - “business-to-business” transactions
- Service sectors and “business-to-consumer” transactions were not targeted.
- SME’s were included but not specifically targeted
- Participation was **voluntary**
 - Organizations could not be required to take part
 - Results need to be interpreted with this in mind



Survey of purchasers (the ***customers*** of certified organizations)

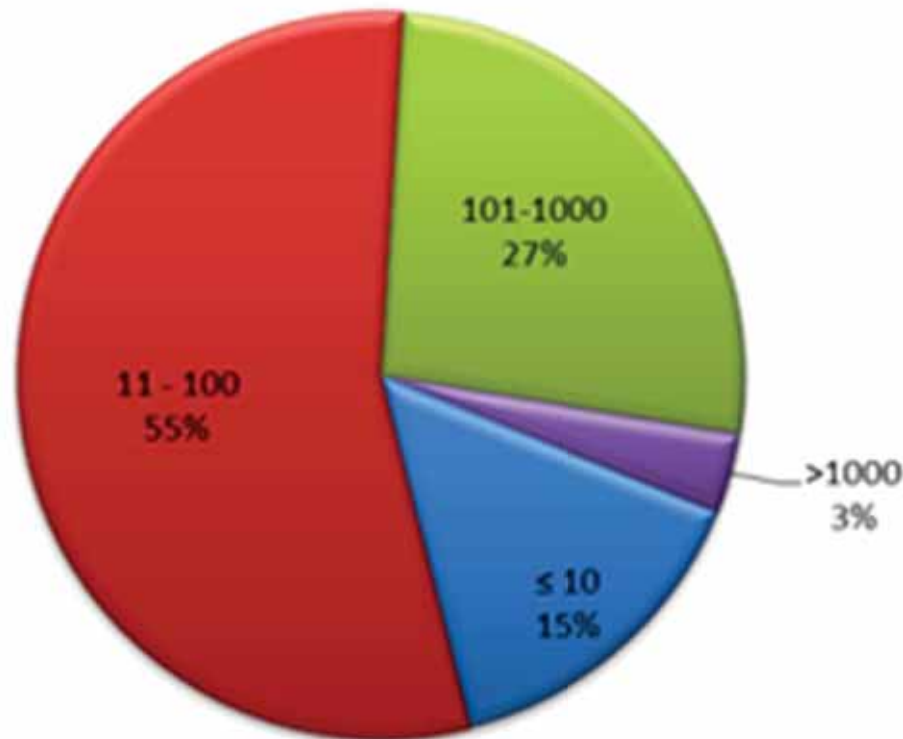
429 Institutional Purchasers (109 from India)

Annual purchase budget



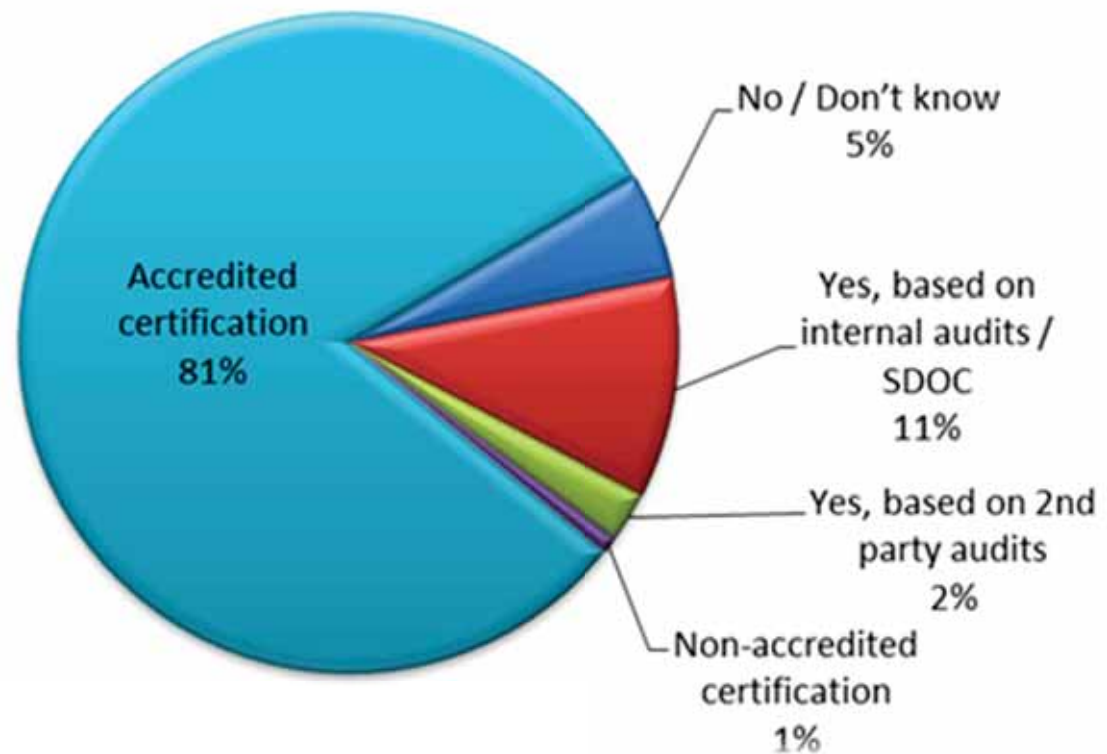
429 Institutional Purchasers

Number of suppliers actively evaluated



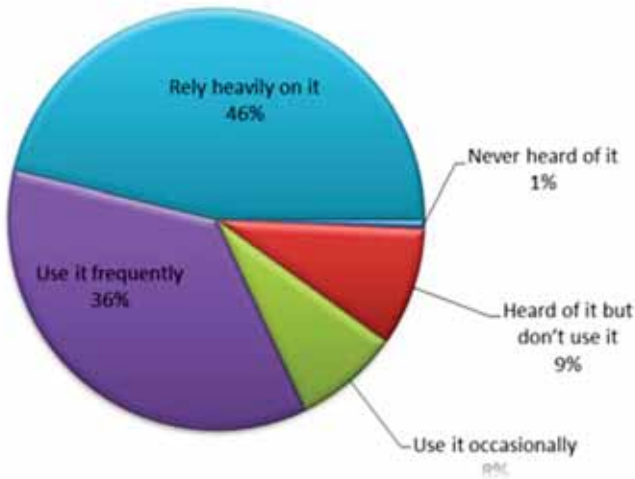
429 Institutional Purchasers

Does their own QMS meet ISO 9001?



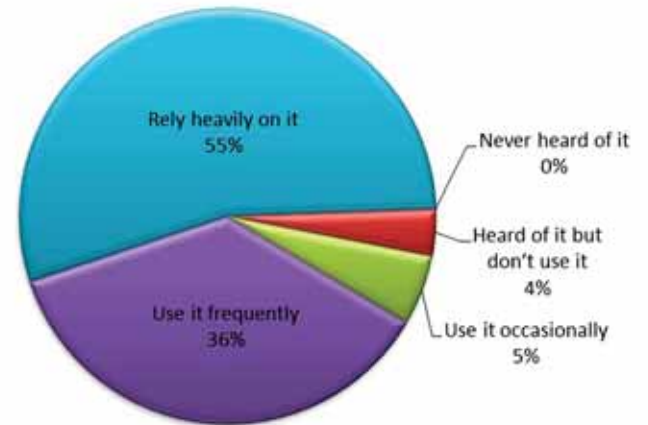
Institutional Purchasers

Familiarity with ISO 9001



Overall (429)

Familiarity with ISO 9001



India (109)

Institutional Purchasers

Parameter	Overall (429)	India (109)
Use ISO 9001 as part of supplier evaluation process?	79%	82%
Name the local AB?	32%	26%
Name <i>any</i> AB?	37%	40%
Know what ISO does?	38%	38%
Think ISO certifies	9%	1%
Think ISO accredits	53%	61%

Institutional Purchasers

Have they heard of the IAF?



Overall (429)

Have they heard of the IAF?



India (109)

109 Institutional Purchasers (India)

Unaccredited certification

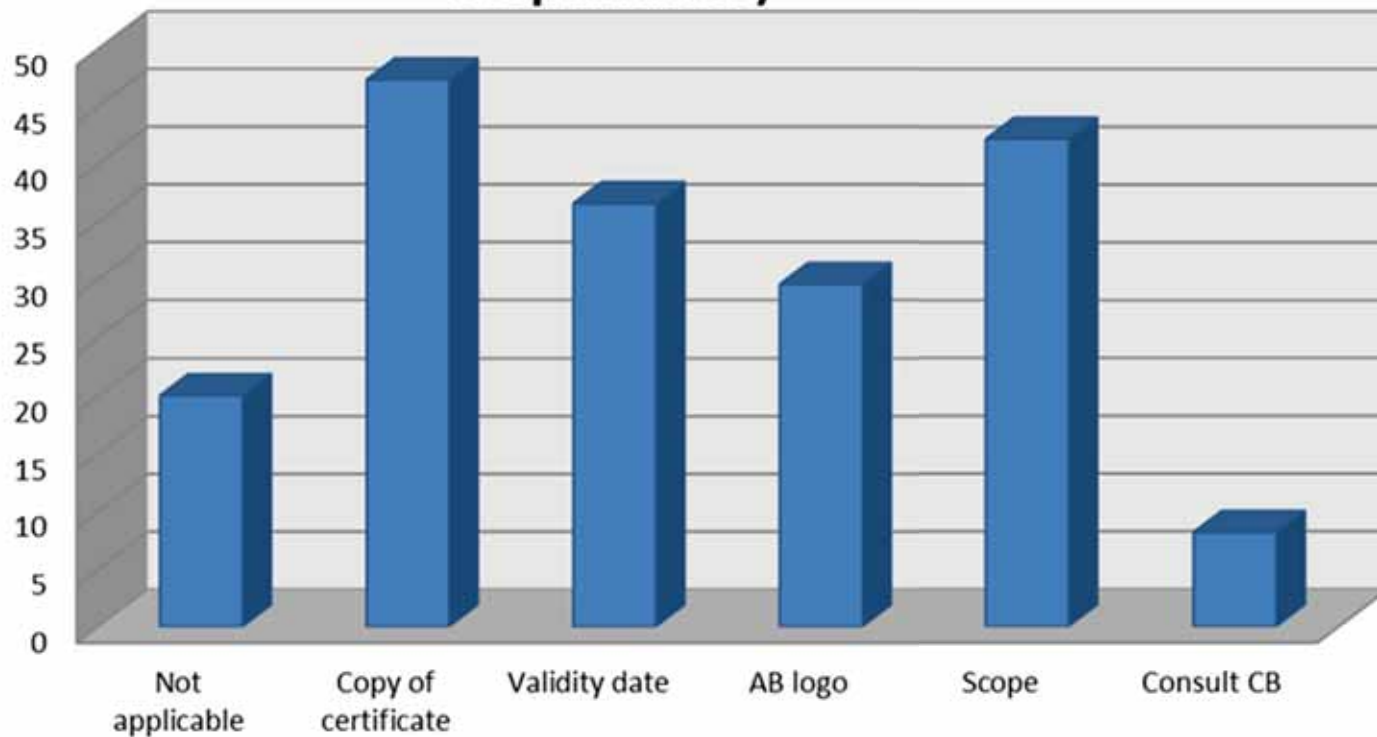


Accredited certification



429 Institutional Purchasers

Which of the following do you check? (% of respondents)



(Similar percentages in India)

429 Institutional Purchasers

Feedback to suppliers?

High value / high risk

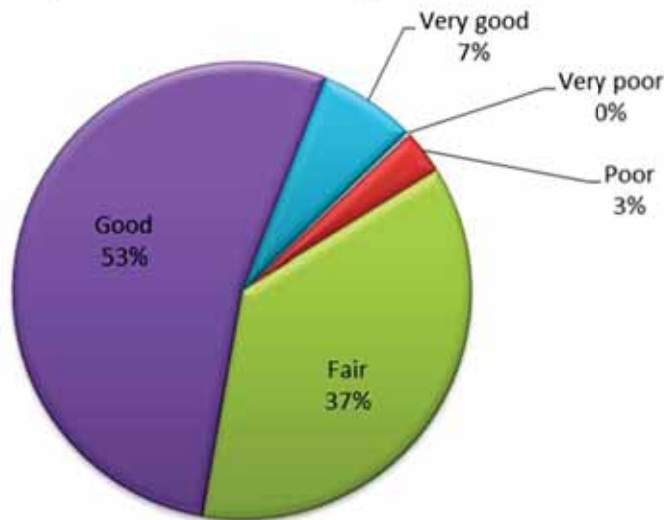


Low value / low risk

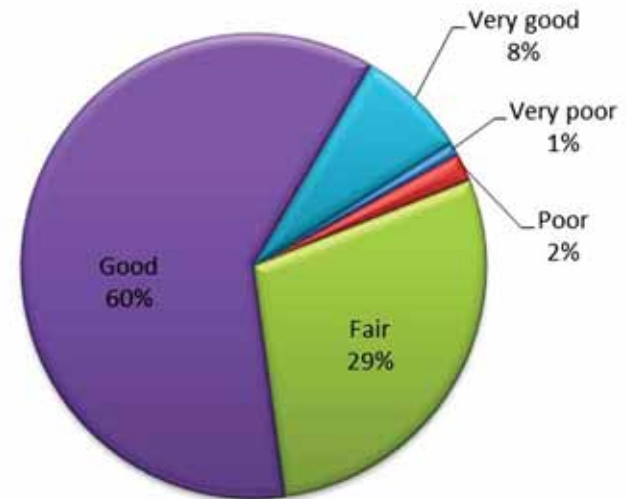


429 Institutional Purchasers

Overall opinion about the credibility of accredited certification to ISO 9001



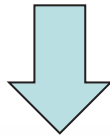
Overall (429)



India (109)

Some of the results.....

Satisfaction with performance of ISO 9001-certified suppliers

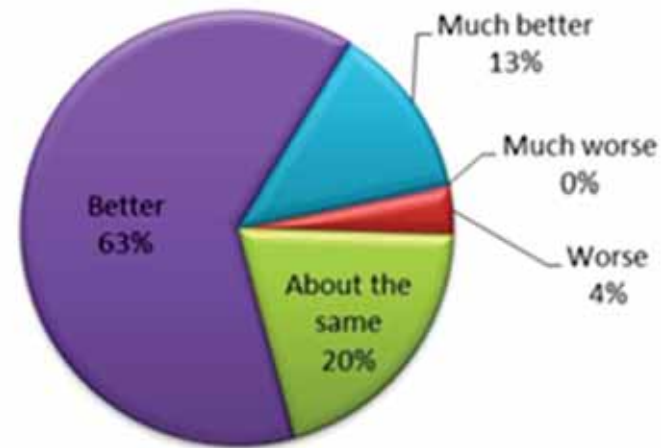
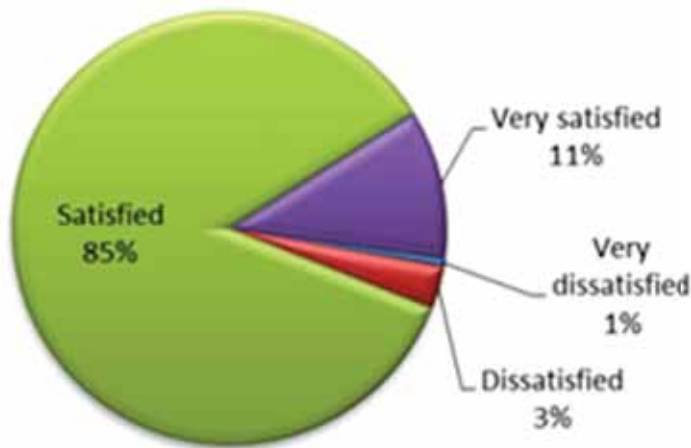


How do certified suppliers compare with non-certified suppliers?



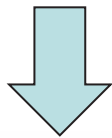
Intrinsic quality of purchased product

Intrinsic quality of purchased product



Some of the results.....

Satisfaction with performance of ISO 9001-certified suppliers

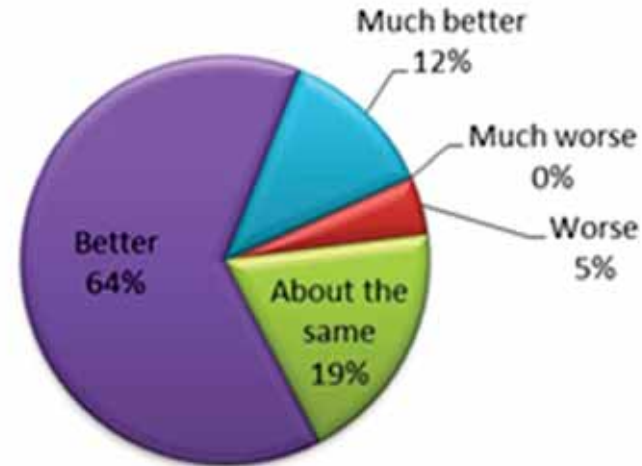
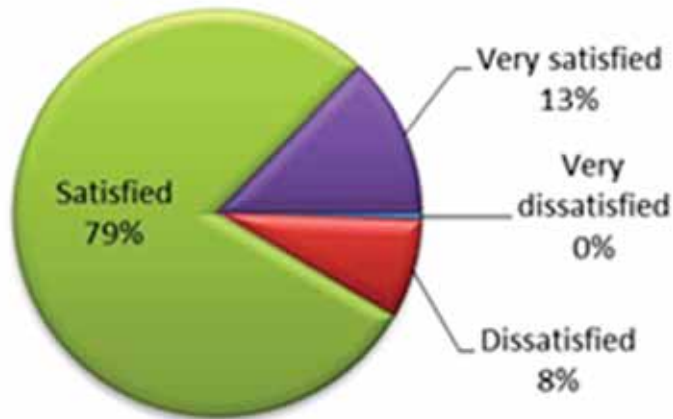


How do certified suppliers compare with non-certified suppliers?



Confidence in ability to provide consistent conforming products

Confidence in ability to provide consistent conforming products



Some of the results.....

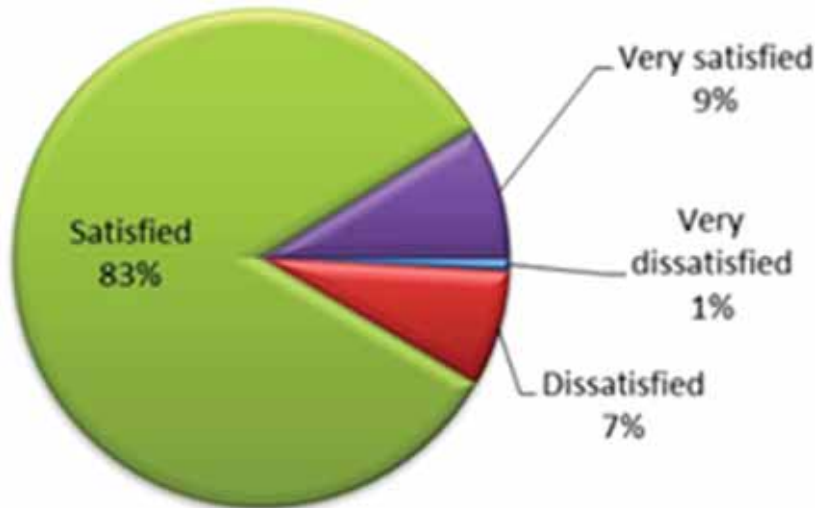
Satisfaction with performance of ISO 9001-certified suppliers



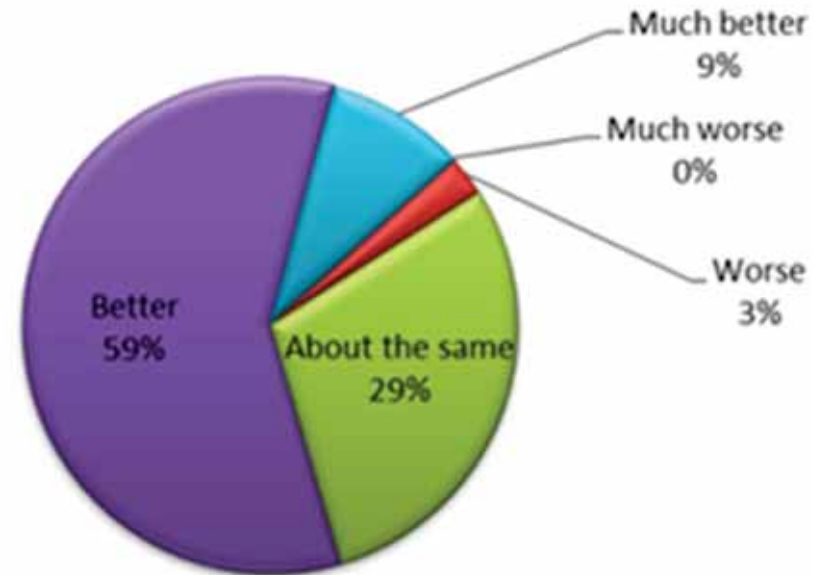
How do certified suppliers compare with non-certified suppliers?



Customer service quality

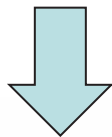


Customer service quality

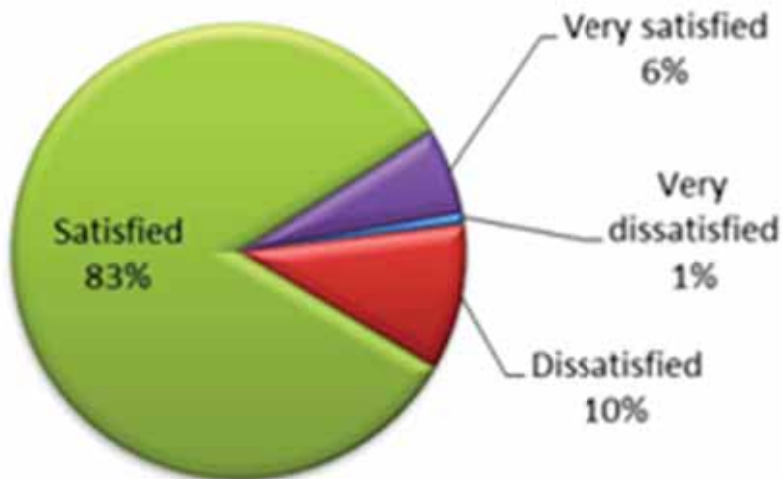


Some of the results.....

Satisfaction with performance of ISO 9001-certified suppliers



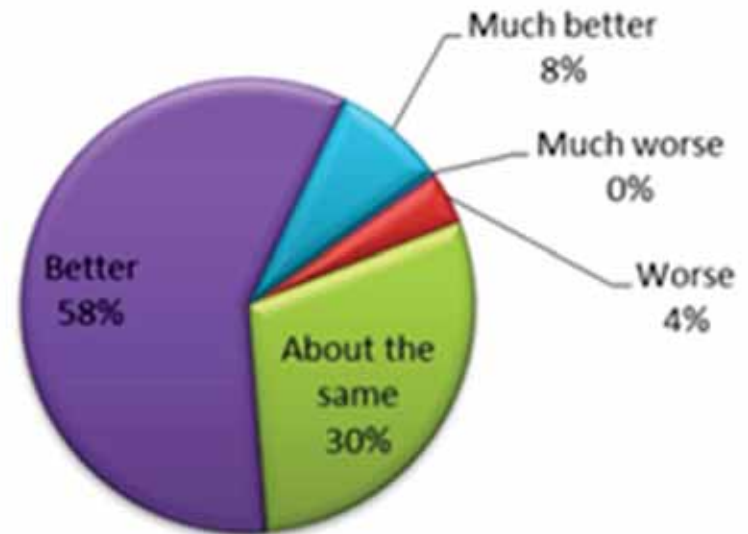
Ability to meet delivery committments



How do certified suppliers compare with non-certified suppliers?

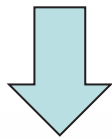


Ability to meet delivery committments

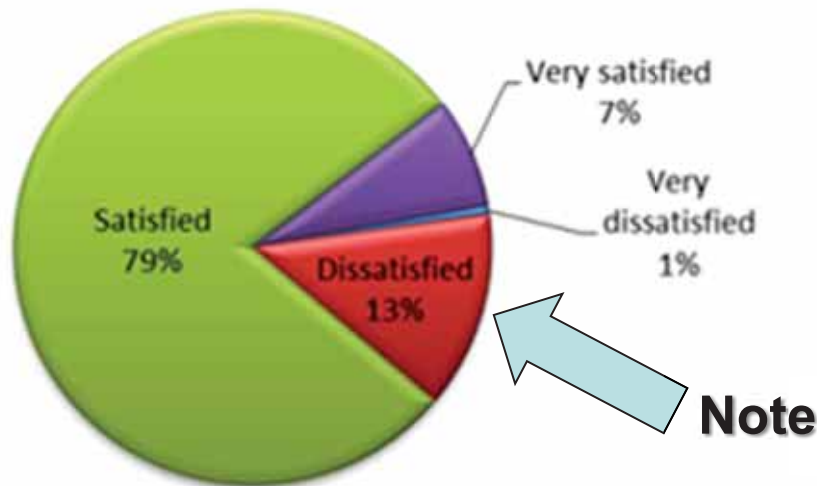


Some of the results.....

Satisfaction with performance of ISO 9001-certified suppliers



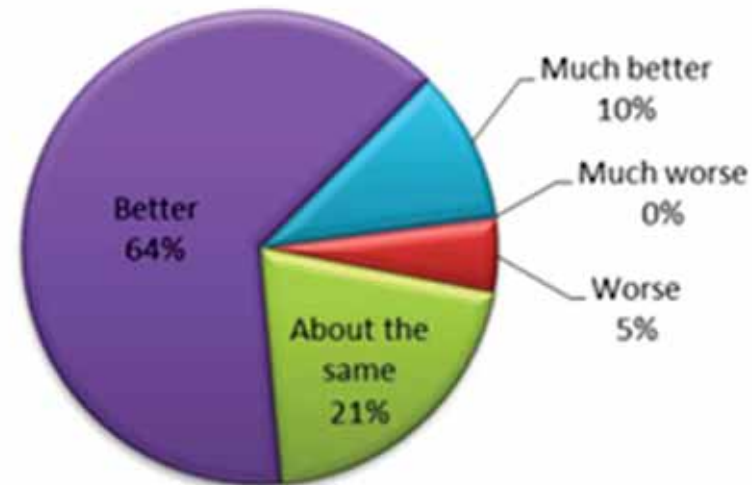
Responsiveness to complaints



How do certified suppliers compare with non-certified suppliers?

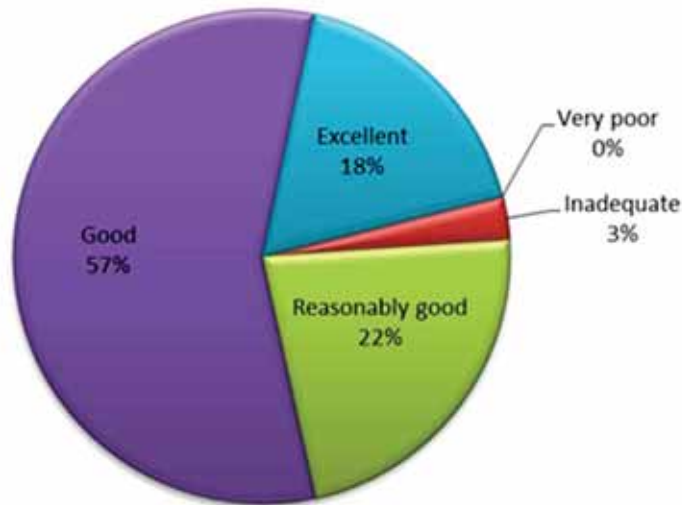


Responsiveness to complaints



Institutional Purchasers

Opinion of ISO 9001 standard



Overall (429)

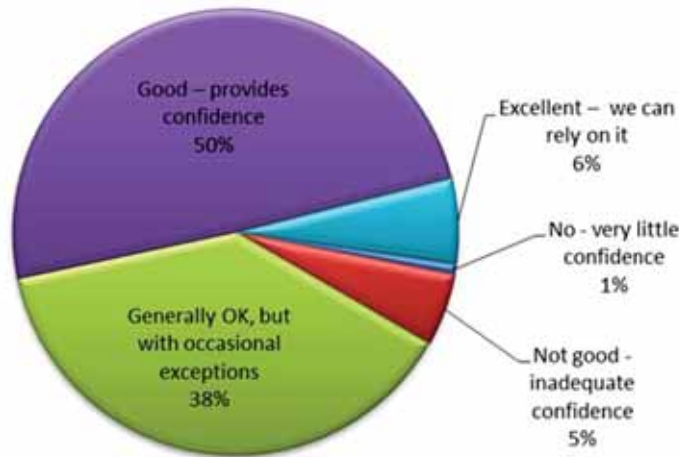
Opinion of ISO 9001 standard



India (109)

Institutional Purchasers

Level of confidence in ISO 9001 certification



Overall (429)

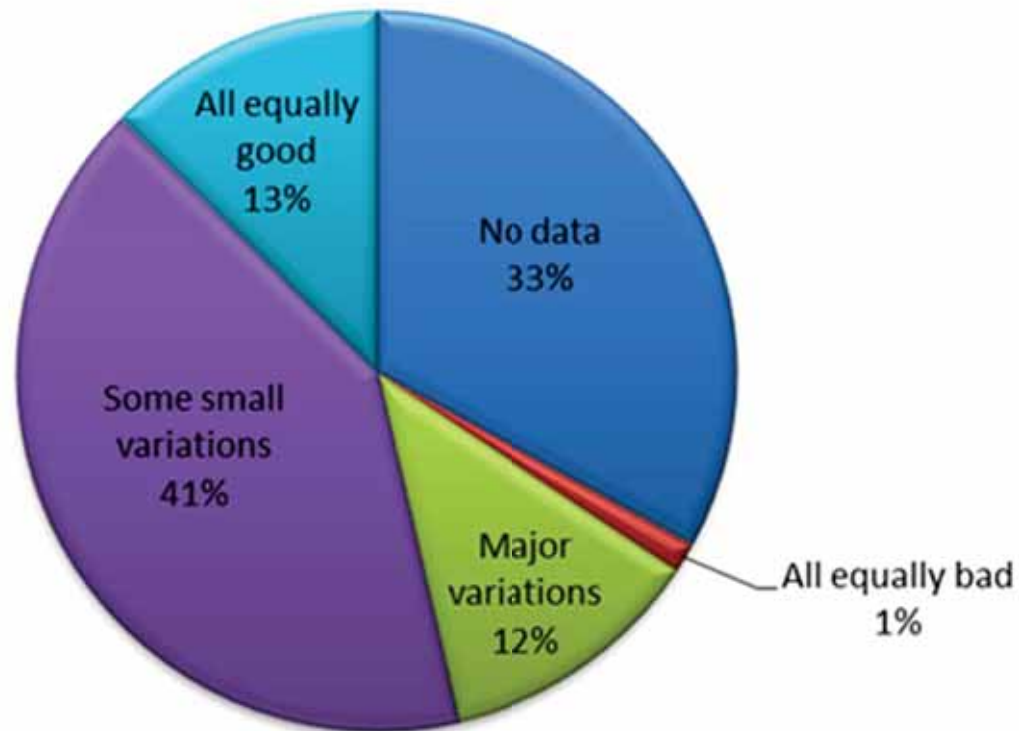
Level of confidence in ISO 9001 certification



India (109)

429 Institutional Purchasers

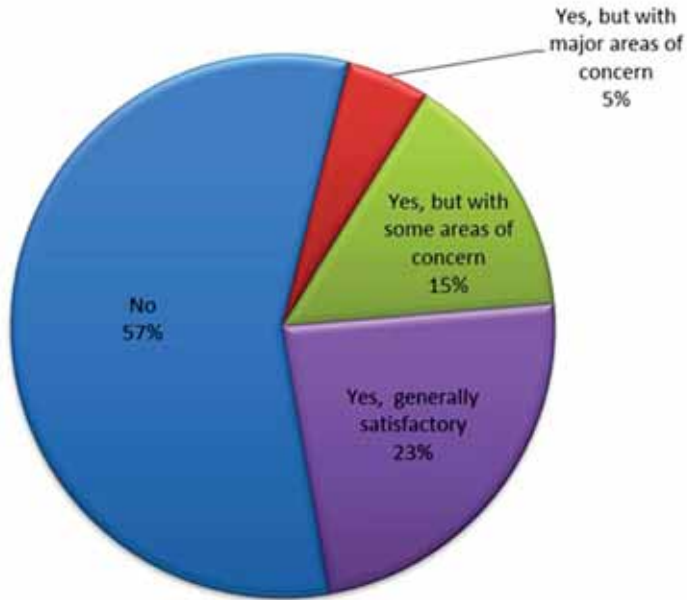
Comparison between CB's



(No significant regional variations noted)

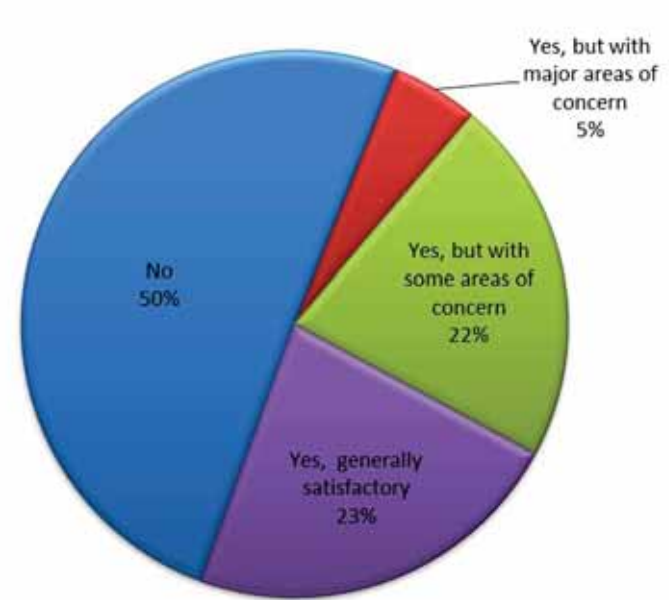
Institutional Purchasers

Have you carried out 2nd-party audits on certified suppliers?



Overall (429)

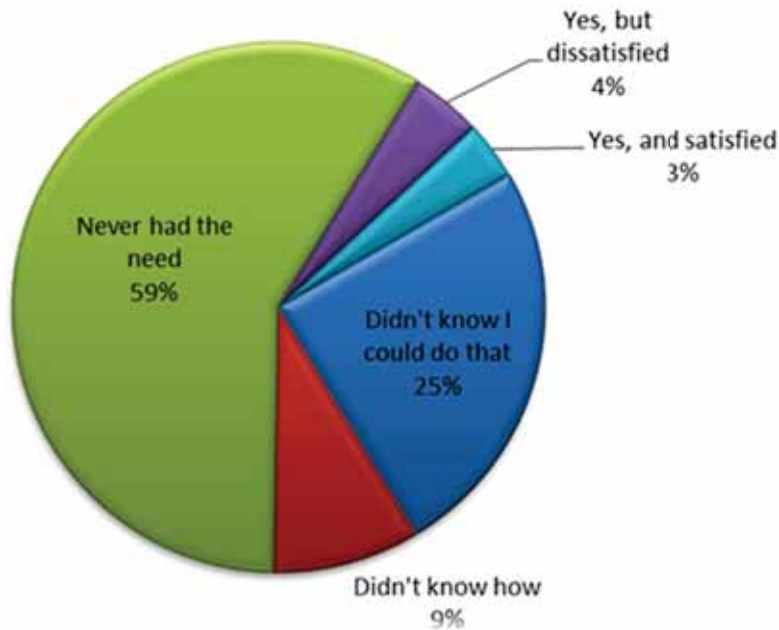
Have you carried out 2nd-party audits on certified suppliers?



India (109)

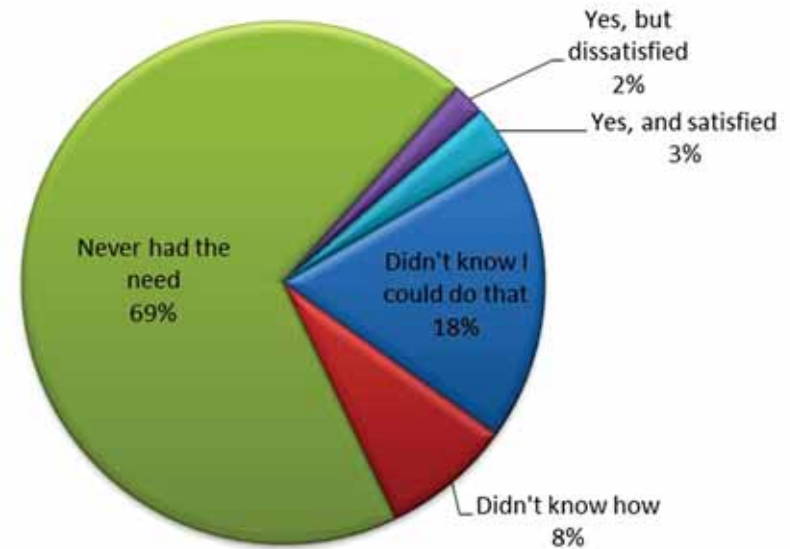
Institutional Purchasers

Have you ever complained to CB?



Overall (429)

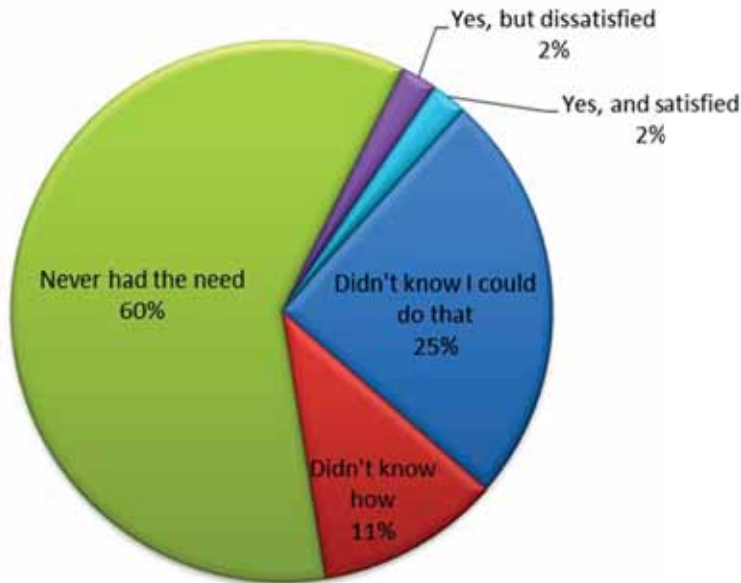
Have you ever complained to CB?



India (109)

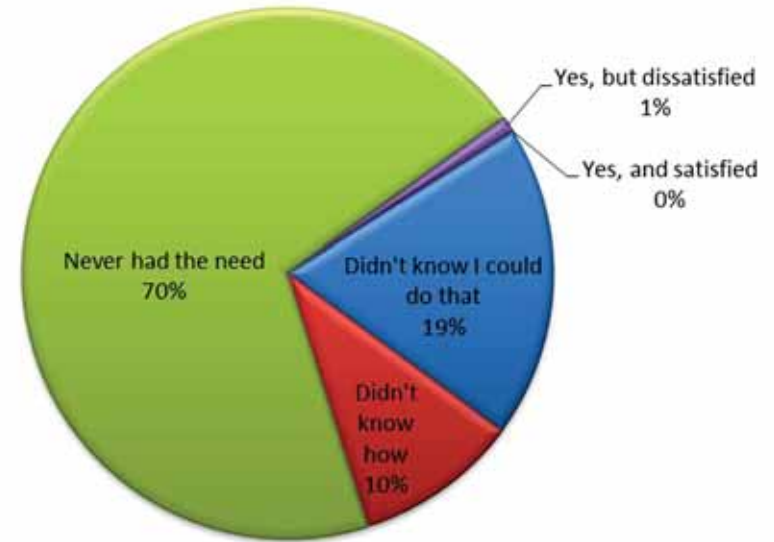
429 Institutional Purchasers

Ever complained to an AB?



Overall (429)

Ever complained to an AB?



India (109)

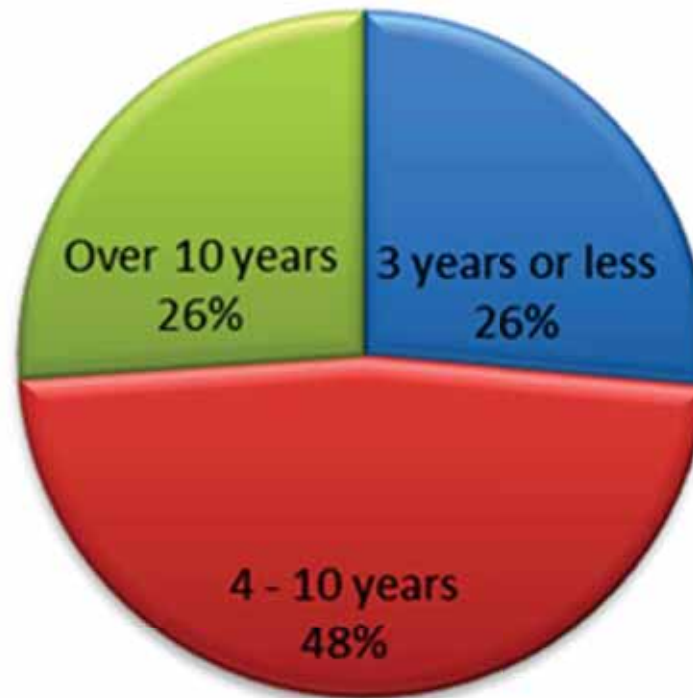


Survey of certified organizations

Results are for the 604 organizations consulted
(222 in India)

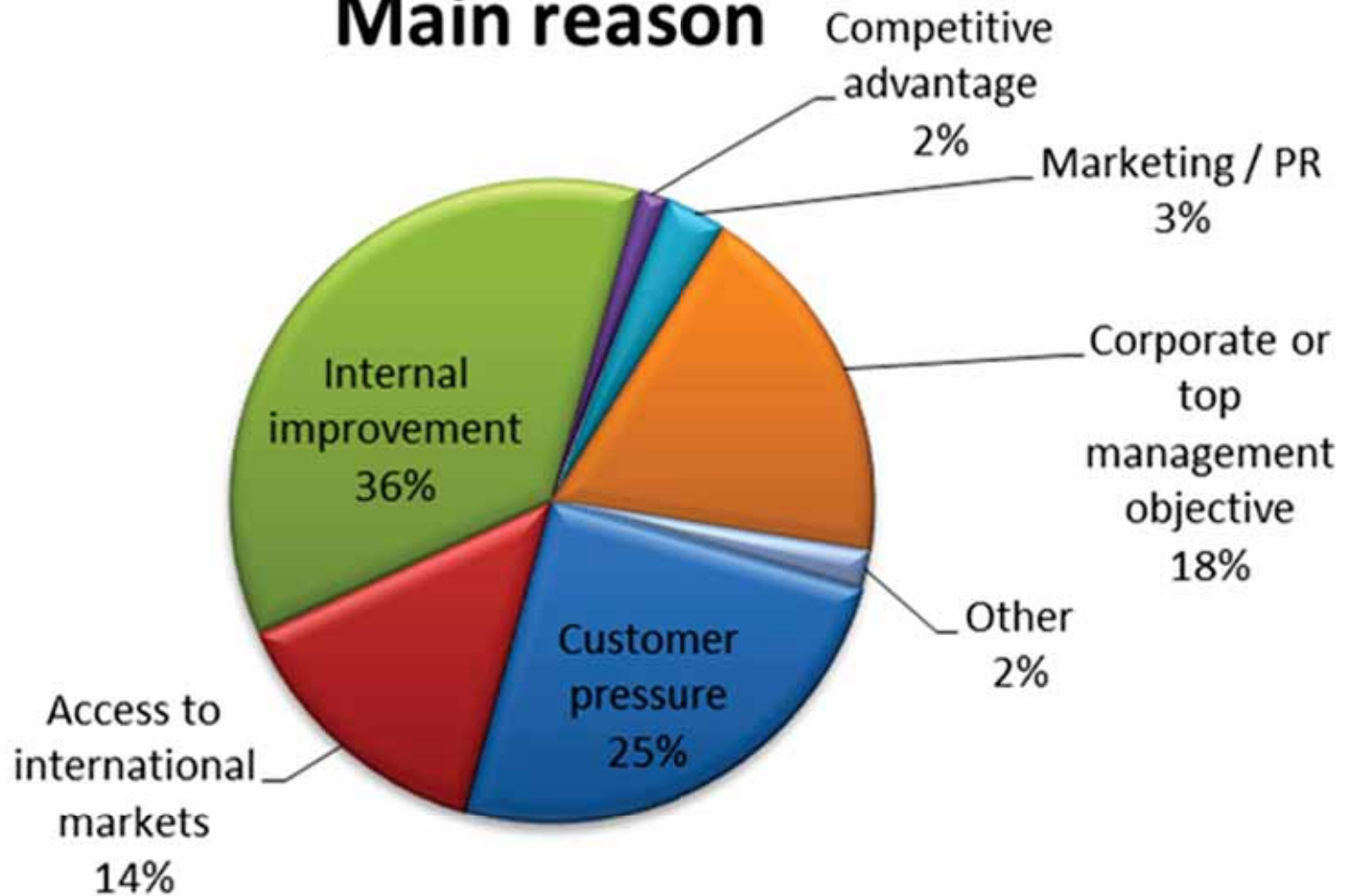
604 Certified Organizations

Length of time certified



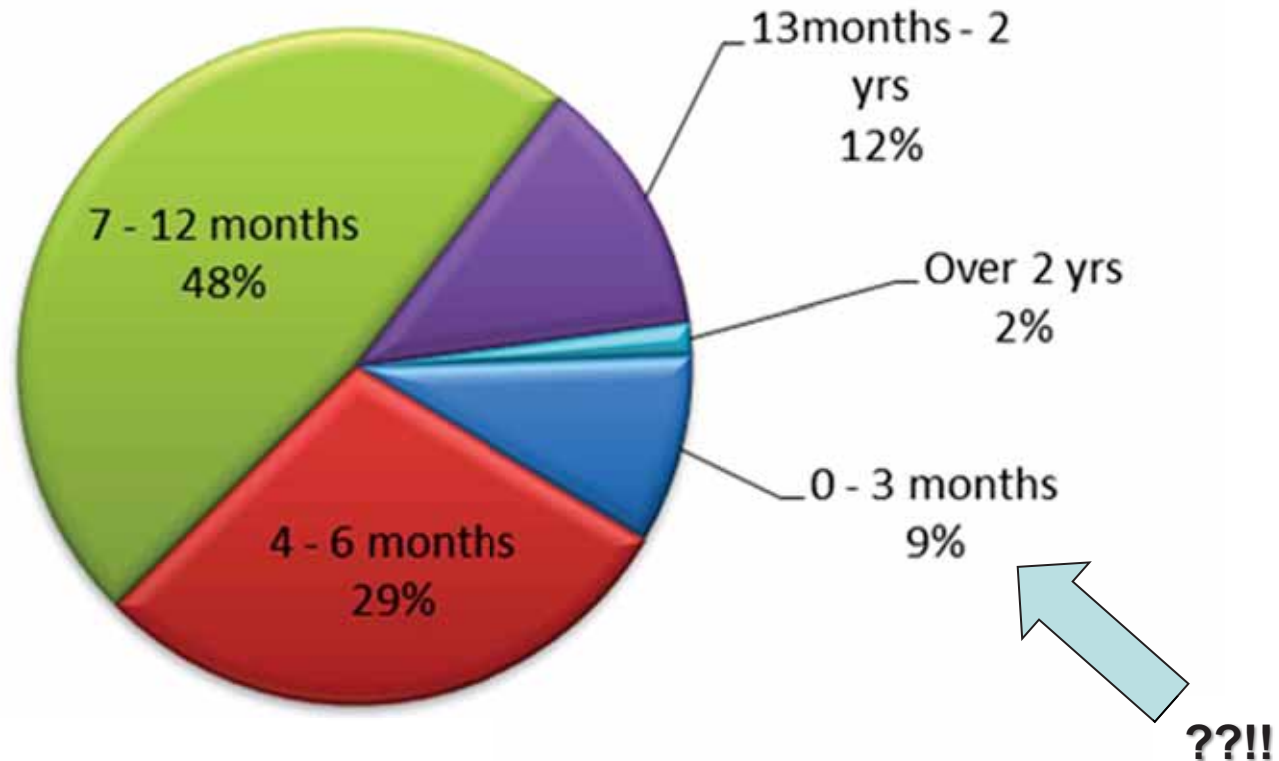
604 Certified Organizations – Reasons for implementation of QMS

Main reason



604 Certified Organizations

Length of time to implement and obtain certification

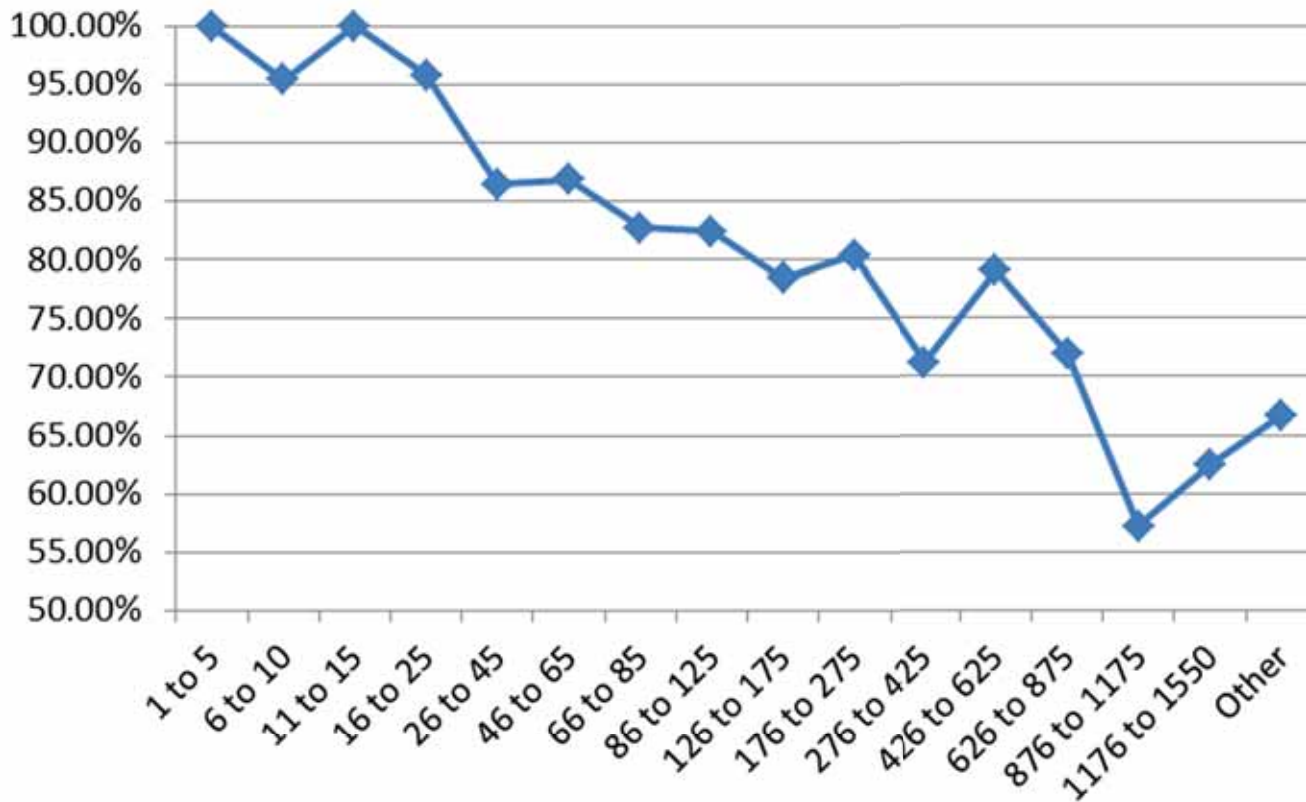


604 Certified Organizations

- 81% used a consultant (87% in India)
- Of those who used a consultant
 - 21% were “very satisfied”
 - 76% were “satisfied”
- Use of consultant had no statistically significant impact on certification time
- Use of consultant was more likely in smaller organizations

604 Certified Organizations

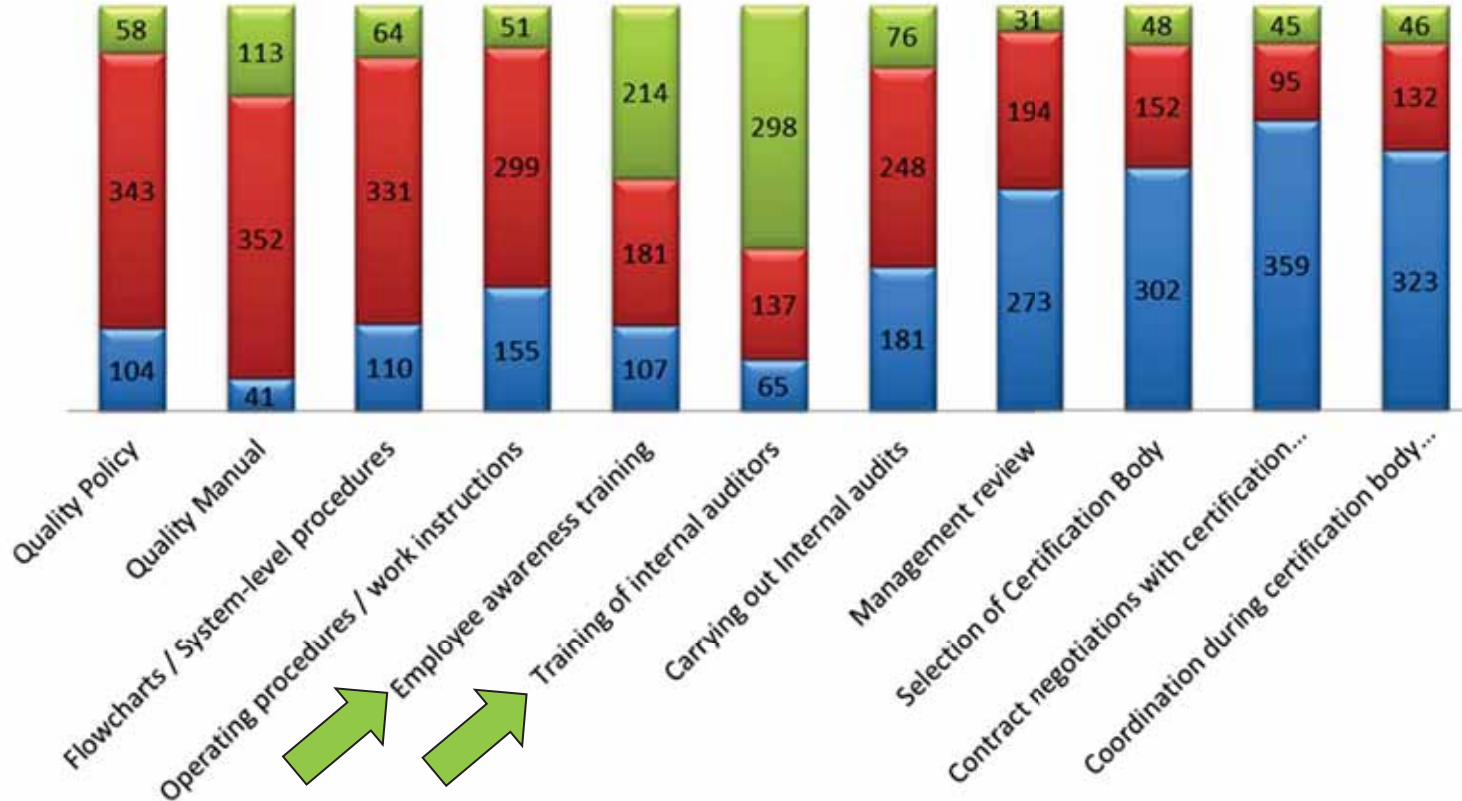
% of organizations using a consultant vs organization size



604 Certified Organizations

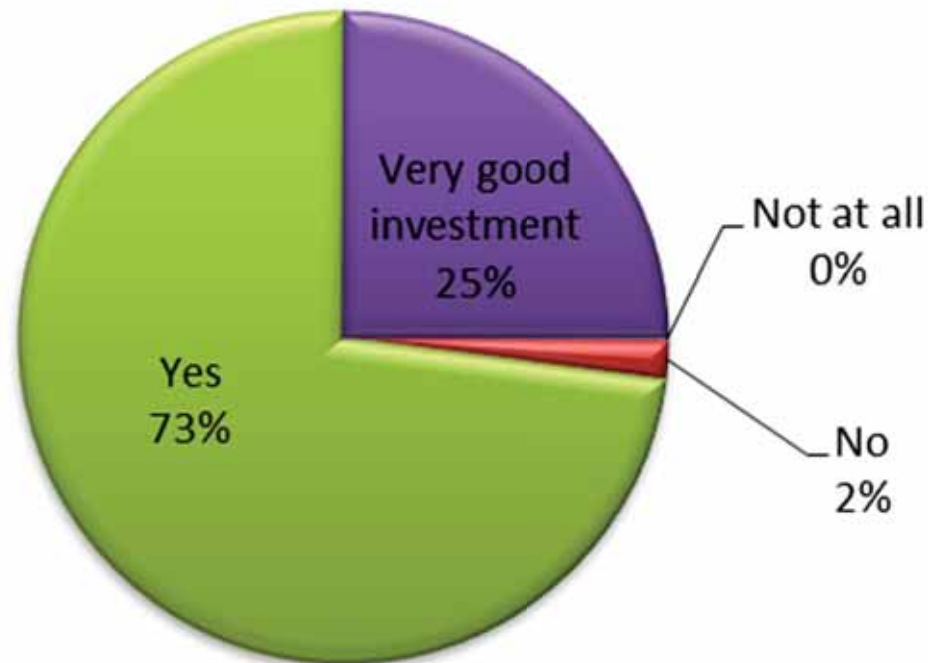
Involvement of consultant (where used)

- We did not use the consultant for this activity
- Consultant provided inputs, but we did this ourselves
- Consultant did this for us



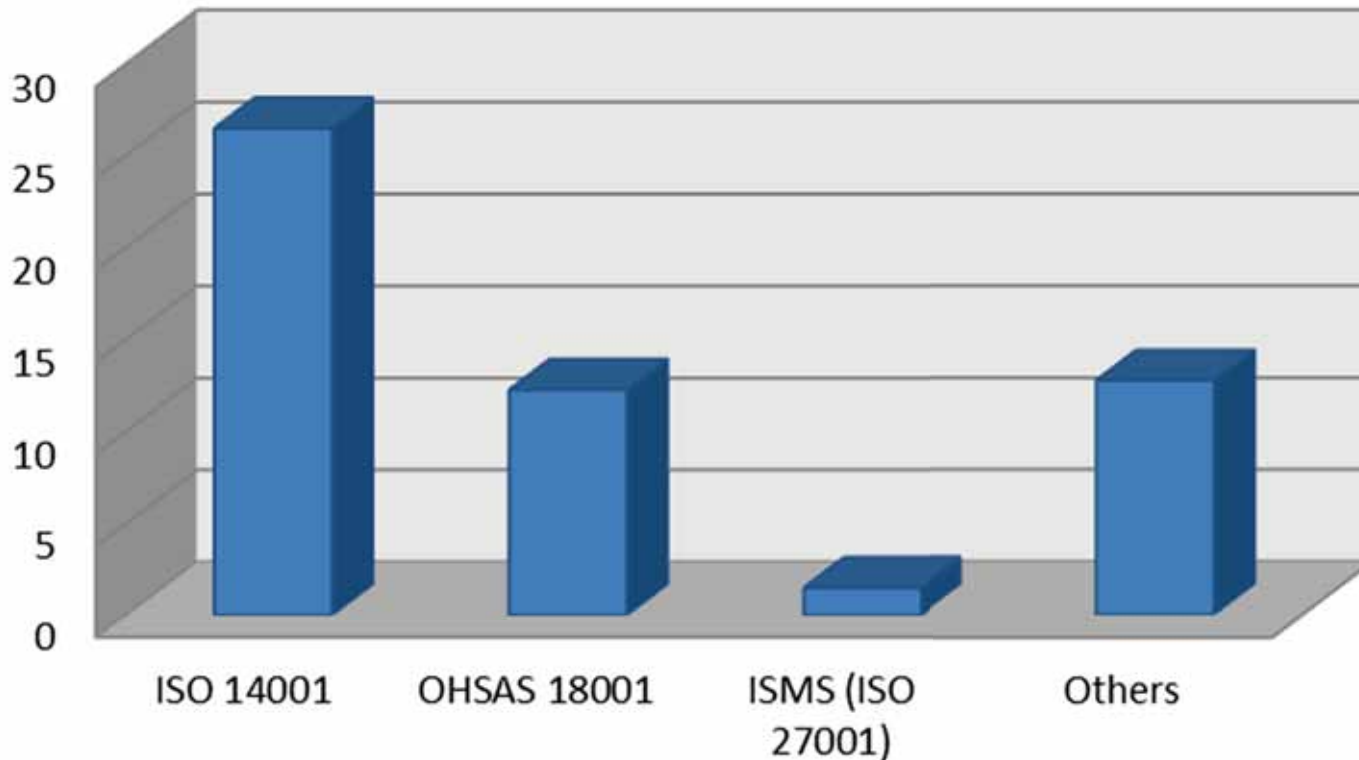
604 Certified Organizations

Regardless of how much you spent, do you consider the implementation of ISO 9001 and certification to have been a good investment?



604 Certified Organizations

% of Respondents with other certifications

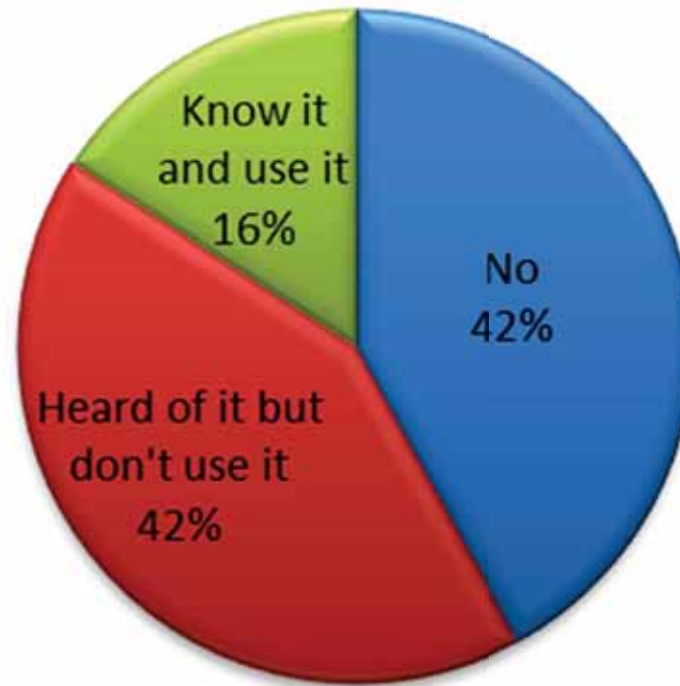


604 Certified Organizations

- 159 respondents had both ISO 9001 and ISO 14001 certification
 - 91% of these were satisfied with the current level of compatibility between the 2 standards
 - 47% had “fully integrated” systems
 - 36% had “partially integrated” systems

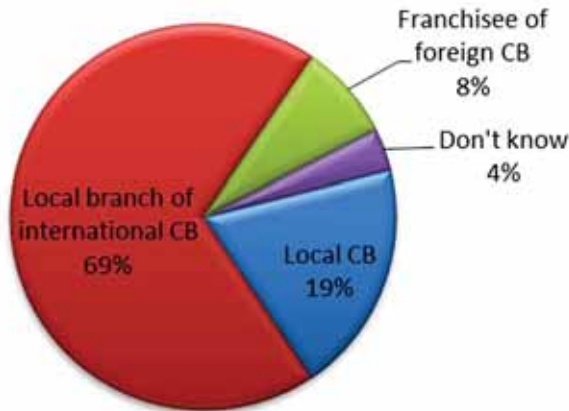
604 Certified Organizations

Familiarity with ISO 9004



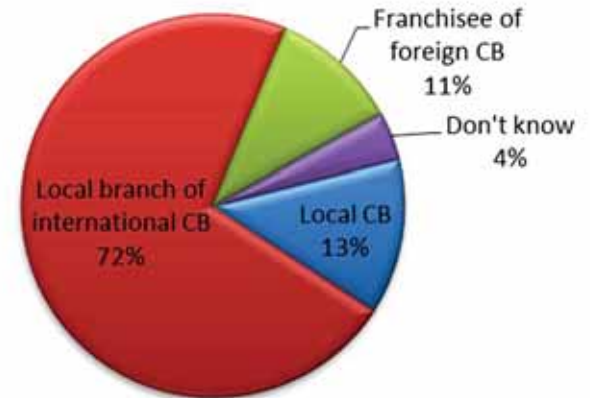
604 Certified Organizations

Category of certification body



Overall (604)

Category of certification body



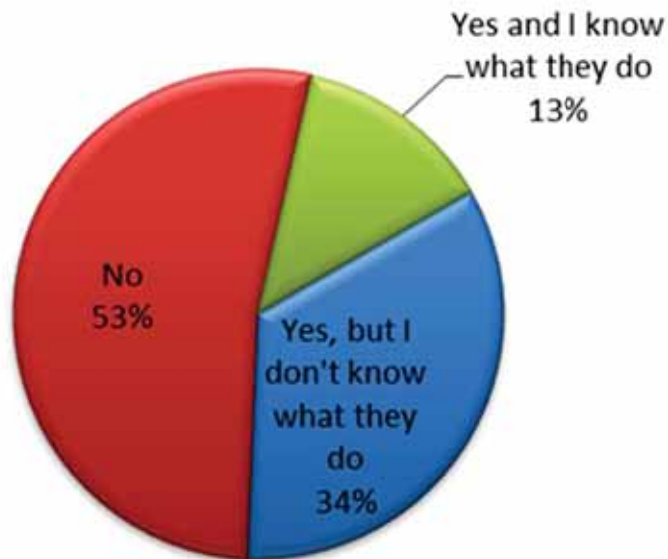
India (222)

604 Certified Organizations

- Knowledge of accreditation was poor
 - **72% could name their own AB (69% in India)**
- BUT
 - **Only 40% could name the local AB (40% in India)**
 - **Only 39% could name any other AB (33% in India)**

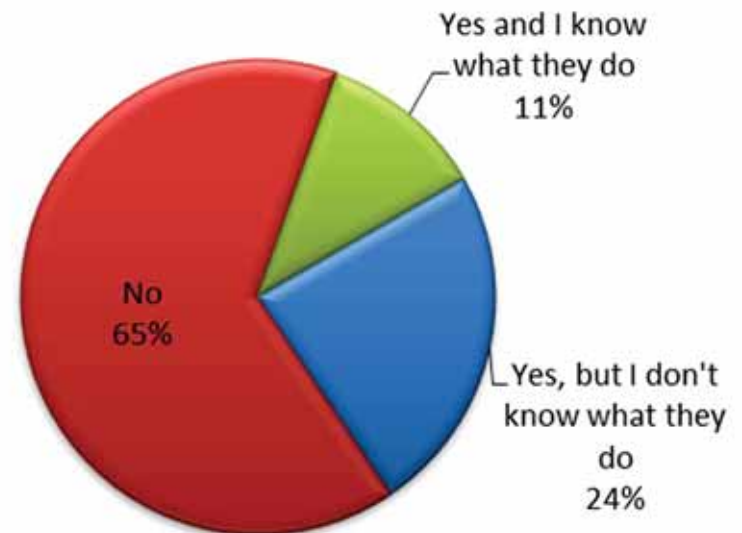
604 Certified Organizations

Heard of the IAF?



Overall (604)

Heard of the IAF?

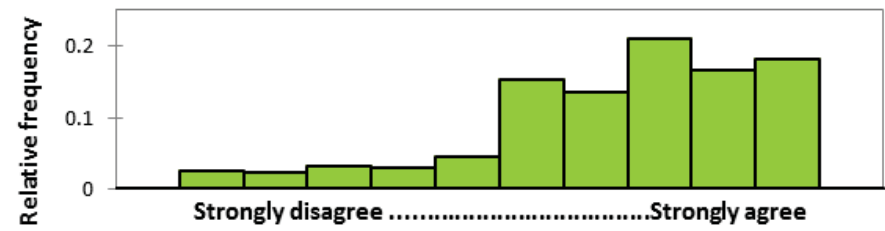


India (222)

604 Certified Organizations – selection of CB

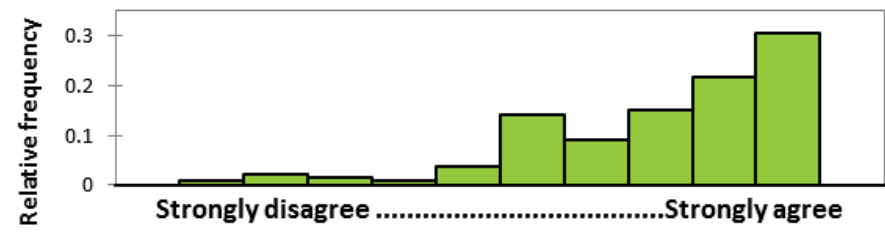
We checked to see which certification body had the best reputation in our own country / industry sector

Summary: CB Reputation in Industry/Country is important



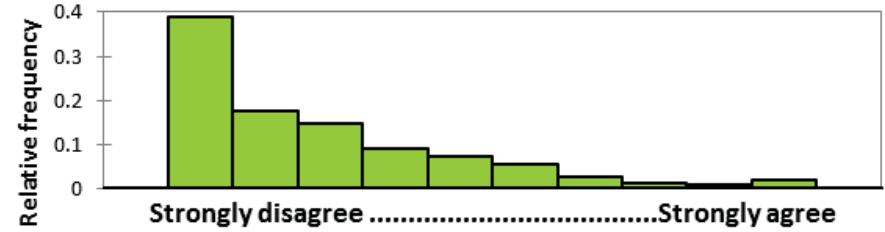
It was important for the certification body to have an international reputation

Summary: CB International Reputation is important



We chose the certification body because we heard they were the easiest

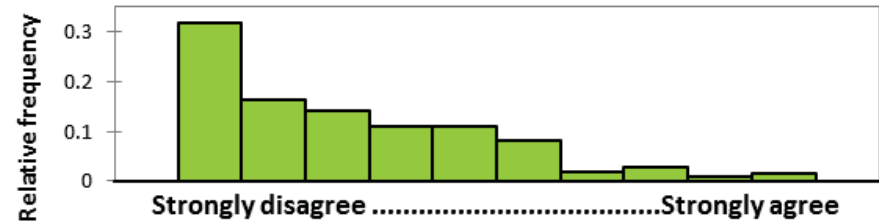
Summary: Organizations say they don't look for "easy certification"



604 Certified Organizations – selection of CB

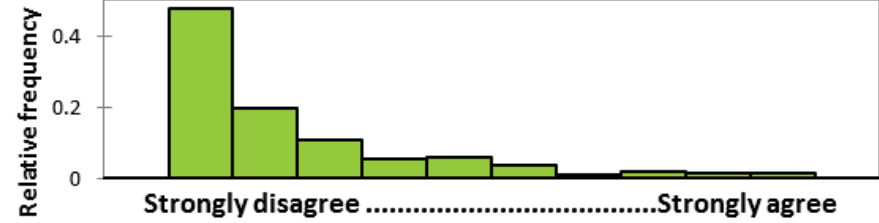
We chose the certification body because they were the cheapest

Summary: Price is NOT the major consideration



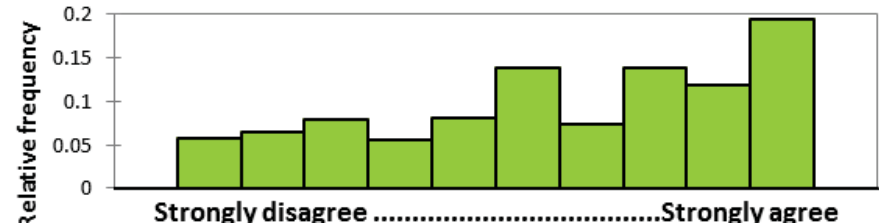
We didn't care whether the certification body was accredited or not

Summary: Accreditation is important in choosing the CB



It was important for the certification body to be accredited by our *national* accreditation body

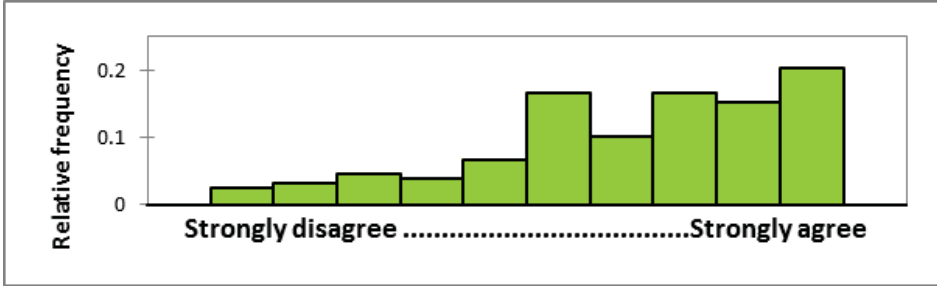
Summary: Mixed responses regarding importance of NATIONAL accreditation



604 Certified Organizations – selection of CB

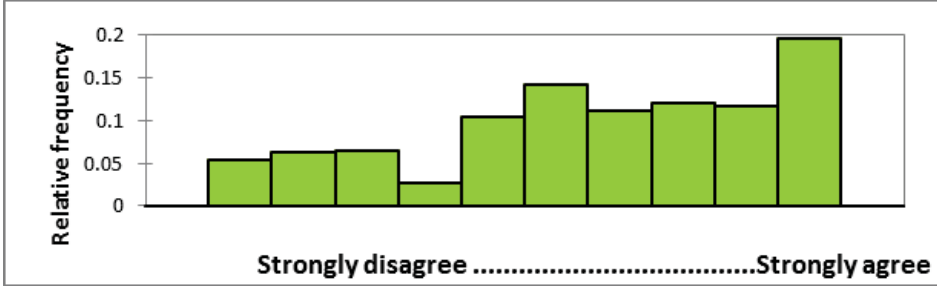
It was important for the certification body to be accredited by a *foreign* accreditation body

Summary: Tendency to place importance on foreign accreditation



It was important for the certification body to be accredited by a member of the IAF (International Accreditation Forum)

Summary: Mixed responses regarding importance of IAF recognition



604 Certified Organizations

Contacts with CB prior to initial audit?

